

EX. 1

SECOND ORIGINAL

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1. Shipbroker Simpson Spence & Young Shipbrokers Ltd. London		THE BALIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO) STANDARD BAREBOAT CHARTER CODE NAME: "BARECON 89"		PART I
2. Place and date London 18/12/97		4. Bareboat charterers (Charterers)/Place of business Ocean Reyna Shipholding S.A., of Panama c/o Interpacific Lines Co. Ltd 6th Floor, Toranomon, 33 Mori Building 3-8-21, Toranomon, Minato-Ku Tokyo JAPAN		
3. Owners/Place of business Pillsburg Navigation S.A. Panama c/o Ocean Trade S.A. of Panama Omega Building 80 Kifissias Ave, GR-151 25 Amarousion, GREECE		5. Vessel's name, Call Sign and Flag (CL 9(c)) M.V. "OCEAN REYNA"		
6. Type of Vessel MULTI-PURPOSE	7. GRT/MRT 5484 / 2135	9. Total DWT (abk) in metric tons on summer freeboard 7,033.88		
8. When/Where built 11/1990 Hakata Shipyard, Japan	11. Date of last special survey by the Vessel's classification society 17th November 1995			
10. Class (CL 9) B.V.				
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to CL 14) Draft, Loaded 7.495 MTRS. / LOA: 97.95 MTRS. Beam: 18.20 MTRS. 2 Holds / 2 Hatches 453,800.95 / 411,085.31 CBFT Grain / Bale				
13. Port or Place of delivery (CL 2) Safe Berth or anchorage at safe port Singapore / Japan range 'Back to Back' with delivery of the vessel to owners under Memorandum of Agreement 4th December 1997.		14. Time for delivery (CL 3) 6-30th January 1998	15. Cancelling date (CL 4) 30/1/1998	
Running days' notice if other than stated in CL 3 N/A		16. Port or Place of redelivery (CL 14) Safe port, Singapore/Japan range, including China, South Korea, (USC, VSWC, Caribs, Vsg, Red Sea passing Muscat outboard, UK/Cont, (Suez-Gibraltar range) full Mediterranean excluding Black Sea, port in Charterers option.		
17. Frequency of dry-docking if other than stated in CL 9(f) 30 Months (See clause 9 (F))		19. Trading Limits (CL 5) Within institute warranty limits, (Charterers' option to break same, paying extra insurance), excluding Israel, North Korea, Angola, war or war-like zones.		
20. Charter period Eight (8) Years		21. Charter hire (CL 10) USD 2,500 per day or pro rata from delivery for first six (6) Years. Rate for years 7 and 8 see clause 29.		
22. Rate of interest payable acc. to CL 10(f) and, if applicable, acc. to PART IV N/A		23. Currency and method of payment (CL 10) N/A		

"BARECON 89" Standard Bareboat Charter

PART I

<p>Place of payment; also state beneficiary and bank account (CL 10)</p> <p>To be advised by Owners</p>	<p>Bank guarantee/bond (sum and place) (CL 22) (optional)</p> <p>The charterers will pay during February 1998 the amount of USD 129,500 to owners, and to be released back to the charterers in three equal amounts, at the end of the first, second and third year.</p>
<p>26. Mortgage(s), if any, (state whether CL 11(a) or (b) applies; if CL 11(b) applies state date of Deed(s) of Commitment and name of Mortgagee(s)/Piece of business) (CL 11)</p> <p>11.8. applies. Copy of Mortgage to be attached. Mortgagees to be advised.</p>	<p>27. Insurance (marine and war risks) (state value acc. to CL 12(f) or, if applicable, acc. to CL 13(f)) (also state if CL 13 applies)</p> <p>USD</p>
<p>28. Additional insurance cover, if any, for Owners' account limited to (CL 12(f)) or, if applicable, (CL 13(g))</p>	<p>29. Additional insurance cover, if any, for Charterers' account limited to (CL 12(f)) or, if applicable, (CL 13(g))</p> <p>USD 1,000,000</p>
<p>30. Latent defects (only to be filled in if period other than stated in CL 2)</p>	<p>31. War cancellation (indicate countries agreed) (CL 24)</p> <p>U.S.A., Japan, United Kingdom, France.</p>
<p>Brokerage commission and to whom payable (CL 25)</p> <p>5.0 Percent total. 1.25 Percent charterers' address. 1.25 Percent Slapson Spence & Young Shipbrokers Ltd (Both commission deductible from the hire) 2.5 Percent to Ocean Trade S.A. of Panama</p>	
<p>33. Law and arbitration (state 26.1, 26.2, or 26.3 of CL 26 as agreed; if 26.3 agreed, also state place of arbitration) (CL 26)</p> <p>English Law / Arbitration London</p>	<p>34. Number of additional clauses covering special provisions, if agreed</p> <p>Three (3)</p>
<p>35. Newbuilding Vessel (indicate with "yes" or "no" whether Part III applies) (optional)</p>	<p>36. Name and place of Builders (only to be filled in if Part III applies)</p>
<p>37. Vessel's Yard Building No. (only to be filled in if Part III applies)</p>	<p>38. Date of Building Contract (only to be filled in if Part III applies)</p>
<p>Hire Purchase agreement (indicate with "yes" or "no" whether Part IV applies) (optional)</p>	<p>40. Bareboat Charter Registry (indicate with "yes" or "no" whether Part V applies) (optional)</p>
<p>41. Flag and Country of the Bareboat Charter Registry (only to be filled in if Part V applies)</p>	<p>42. Country of the Underlying Registry (only to be filled in if Part V applies)</p>

WARRANTY - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and shall only form part of this Charter if expressly agreed and stated in the Boxes 35, 39 and 40. If PART III and/or PART IV and/or PART V apply, it is further mutually agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

<p>Signature (Owners)</p> <p>Owners, Pillsburg Navigation S.A. Panama</p> <p>By: <i>[Signature]</i> B. Zayas / Attorney-in-Fact</p>	<p>Signature (Charterers)</p> <p>OCEAN REYNA SHIPHOLDING S.A., Panama</p> <p><i>[Signature]</i></p> <p>YOSHIO KUROUCHI</p>
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PART II
"BARECON 89" Standard Bareboat Charter

unused lubricating oils in tanks and unbroached lubricating oils in drums at the last supplied prices supported by vouchers. No payment will be made for bunkers: except on board at the last supplied prices supported by vouchers.

1. Definitions

In this Charter, the following terms shall have the meanings hereby assigned to them:
 "The Owners" shall mean the person or company registered as Owners of the Vessel.
 "The Charterers" shall mean the Bareboat charterers and shall not be construed to mean a time charterer or a voyage charterer.

2. Delivery (not applicable to newbuilding vessels)

The Vessel shall be delivered to the Charterers at the place indicated in Box 13, in such ready berth as the Charterers may select. The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy and in every respect ready in hull, machinery and equipment for service under this Charter. The Vessel shall be properly documented at time of delivery.

The Charterers shall constitute a full performance by the Owners of all the Owners' obligations under Clause 1, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, representations or warranties expressed or implied with respect to the Vessel but the Owners shall be responsible for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appliances, existing at the time of delivery under the Charter, provided such defects have manifested themselves within 18 months after delivery unless otherwise provided in Clause 30.

Back to back with attached Memorandum of Agreement

2. Time for Delivery (not applicable to newbuilding vessels)

The Vessel shall be delivered to the Charterers at the place indicated in Box 13, in such ready berth as the Charterers may select.

Unless otherwise agreed in Box 17, the Owners to give the Charterers not less than 30 running days' preliminary notice and not less than 14 days' definite notice of the date on which the Vessel is expected to be ready for delivery. The Owners shall keep the Charterers closely advised of possible changes in the delivery date.

As per attached Memorandum of Agreement.

4. Cancelling (not applicable to newbuilding vessels)

Should the Vessel not be delivered to the Charterers at the place indicated in Box 13, the Charterers to have the option of cancelling this Charter without prejudice to any claim the Charterers may otherwise have against the Owners under the Charter.

If it appears that the Vessel will be delayed beyond the cancelling date, the Owners shall, as soon as they are in a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) hours of the receipt by the Charterers of such notice. If the Charterers do not then exercise their option of cancelling, the seventh day after the receipt of such notice in the Owners' notice shall be regarded as a new cancelling date for the purpose of this Clause.

As per attached Memorandum of Agreement.

5. Trading Limits

The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in Box 19.

The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the Instruments of insurance (including any warranties expressed or implied therein) without first obtaining the consent to such employment of the insurers and complying with such requirements as to extra premium or otherwise as the insurers may prescribe. If required, the Charterers shall keep the Owners and the Warrantees advised of the intended employment of the Vessel.

The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail or is otherwise illegal or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading thereof.

6. Appointment of a joint/independent surveyor

6. Survey (not applicable to newbuilding vessels)

Survey on Delivery and Redelivery - The Owners and Charterers shall jointly appoint a joint/independent surveyor for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. The Owners shall bear all expenses of the On-Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-Survey including loss of time, if any, at the rate of hire per day or pro rata, also including in each case the cost of any docking and undocking, if required, in connection herewith.

7. Inspection

without interfering with the vessel's operation

Inspection - The Owners shall have the right at any time to inspect or survey the Vessel or instruct a duly authorized surveyor to carry out such survey on their behalf to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. Inspection or survey in dry-dock shall be made only when the Vessel shall be in dry-dock for the Charterers' purpose. However, the Owners shall have the right to require the Vessel to be dry-docked for inspection if the Charterers are not docking her at normal classification intervals. The fees for such inspection or survey shall in the event of the Vessel being found to be in the condition provided in Clause 9 of this Charter be payable by the Owners and shall be paid by the Charterers only in the event of the Vessel being found to require repairs or maintenance in order to achieve the condition so provided. At any time in respect of inspection, survey or repairs shall count as time on hire and shall form part of the Charter period.

The Charterers shall also permit the Owners to inspect the Vessel's log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel. For the purpose of this Clause, the Charterers shall keep the Owners advised of the intended employment of the Vessel.

The Owners have the right to place a riding inspector or other qualified person on board with full access to technical and commercial information.

8. Inventory and Consumables OK and Stores

A complete inventory of the Vessel's entire equipment, outfit, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oils, stores, provisions, etc., as indicated in the inventory.

9. Maintenance and Operation

(a) The Vessel shall during the Charter period be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall maintain the Vessel, her machinery, boilers, appliances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, except as provided for in Clause 11, they shall keep the Vessel with unexpired classification in the class indicated in Box 10 and with other required certificates in force at all times. The Charterers to take immediate steps to have the necessary repairs done within a reasonable time falling which the Owners shall have the right of withdrawing the Vessel from the service of the Charterers without having any protest or without prejudice to any claim the Owners may otherwise have against the Charterers under the Charter.

Unless otherwise agreed, in the event of any improvement, structural changes or expensive new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing more than 5 per cent of the Vessel's marine insurance value as stated in Box 27, then the extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under the Charter, shall be the subject of agreement, to be referred to arbitration according to Clause 26.

The Charterers are required to establish and maintain financial security or responsibility in respect of oil or other pollution damage as required by any government, including Federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof. The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.

TOVALOP SCHEME (Applicable to oil tank vessels only) - The Charterers are required to enter the Vessel under the TOVALOP SCHEME or under any similar compulsory scheme upon delivery under this Charter and to maintain her so during the currency of this Charter.

(b) The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and repair the Vessel whenever required during the Charter period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including any foreign general municipal and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, even if for any reason appointed by the Owners.

Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law.

(c) During the currency of this Charter, the Vessel shall retain her present name as indicated in Box 5 and shall remain under and fly the flag as indicated in Box 5. Provided, however, that the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. Painting and re-painting, installation and re-installation to be for the Charterers' account and time used thereby to count as time on hire.

(d) The Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appliances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of the Charter.

(e) The Charterers shall have the use of all outfit, equipment and appliances on board the Vessel at the time of delivery, provided the same of their substantial equipment shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period if requested by the Owners.

Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.

(f) The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary.

10. Hire - Rate times day

(a) The Charterers shall pay to the Owners for the hire of the Vessel at the rate of per calendar month as indicated in Box 21 commencing on from the date and hour of her delivery to the Charterers and at and after the same for any part of a month. Hire to continue until the date and hour when the Vessel is redelivered by the Charterers to the Owners.

(b) Payment of hire, except for the first and last month's hire, is to be made in advance on the first day of each month in the currency and in the manner indicated in Box 23 and at the place mentioned in Box 24.

It is agreed that the vessel shall be sublet to the on-hire survey standards fair wear and tear accepted. In case there is a dispute as to whether the vessel is in the condition provided in Clause 9, then the opinion of an H.K. Clause Surveyor shall be conclusive.

payment of Hire for the first and last month's Hire if less than a full month 200
 it be calculated proportionally according to the number of days in the 201
 regular calendar month and advance payment to be effected accordingly. 202
 Should the Vessel be lost or missing, Hire to cease from the date and time 203
 when she was lost or last heard of. Any Hire paid in advance to be adjusted 204
 accordingly. 205
 Time shall be of the essence in relation to payment of Hire hereunder, in 206
 default of payment beyond a period of seven running days, the Owners shall 207
 have the right to withdraw the Vessel from the service of the Charterers 208
 without notice and without interference by any court or any other 209
 authority whatsoever, and shall, without prejudice to any other claim the 210
 Charterers may otherwise have against the Charterers under the Charter, be 211
 held to damages in respect of all costs and losses incurred as a result of 212
 Charterers' default and the ensuing withdrawal of the Vessel. 213
 Any delay in payment of Hire shall entitle the Owners to an interest at the 214
 per annum as agreed in Box 22. If Box 22 has not been filled in the current 215
 Charter Party, the rate in the country where the Owners have their Principal Place of 216
 business shall apply. 217

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"BARECON 89" Standard Bareboat Charter

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16. Wreck Removal	405	24. War	400
In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation.	406	(a) The Vessel unless the consent of the Owners be first obtained not to be ordered nor continue to any place or on any voyage nor be used on any service which will bring her within a zone which is dangerous as the result of any actual or threatened act of war, war, hostilities, warlike operations, acts of piracy or of hostility or malicious damage against this or any other vessel or its cargo by any person, body or State whatsoever, revolution, civil war, civil commotion or the operation of international law, nor be exposed in any way to any risks or penalties whatsoever consequent upon the imposition of Sanctions, nor carry any goods that may in any way expose her to any risks of seizure, capture, penalties or any other interference of any kind whatsoever by the belligerent or fighting powers or parties or by any Government or Ruler.	461
17. General Average	410	(b) The Vessel to have liberty to comply with any orders or directions as to departure, arrival, routes, ports of call, stoppages, destination, delivery or in any other wise whatsoever given by the Government of the nation under whose flag the Vessel sails or any other Government or any person (or body) acting or purporting to act with the authority of such Government or by any committee or person having under the terms of the war risks insurance on the Vessel the right to give any such orders or directions.	467
General Average, if any, shall be adjusted according to the York-Antwerp Rules 1974 or any subsequent modification thereof current at the time of the casualty.	411	(c) In the event of outbreak of war (whether there be a declaration of war or not) between any two or more of the countries as stated in Box 31, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 14, if she has cargo on board after discharge thereof at destination, or if debarked under this Clause from reaching or entering it at a near open and safe port as directed by the Owners, or if she has no cargo on board, at the port at which she men is or if at sea at a near open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 10 and except as aforesaid all other provisions of this Charter shall apply until redelivery.	472
The Charter Hire not to contribute to General Average.	414	25. Commission	490
18. Assignment and Sub-Charter	415	The Owners to pay a commission at the rate indicated in Box 32 to the Brokers named in Box 32 on any Hire paid under the Charter but in no case less than is necessary to cover the actual expenses of the Brokers and a reasonable fee for their work. If the full Hire is not paid owing to breach of Charter by either of the parties the party liable therefor to indemnify the Brokers against their loss of commission.	491
The Charterers shall not assign this Charter nor sub-charter the Vessel except with the prior consent in writing of the Owners which shall not be unreasonably withheld and subject to such terms and conditions as the Owners shall approve.	416	Should the parties agree to cancel the Charter, the Owners to indemnify the Brokers against any loss of commission but in such case the commission not to exceed the brokerage on one year's Hire.	492
19. Bills of Lading	420	26. Law and Arbitration	500
The Charterers are to procure that all Bills of Lading issued for carriage of goods under this Charter shall contain a Paramount Clause incorporating any legislation relating to Carrier's liability for cargo compulsorily applicable in the trade; If no such legislation exists, the Bills of Lading shall incorporate the British Carriage of Goods by Sea Act, The Bills of Lading shall also contain the amended New Jason Clause and the Both-to-Blame Collision Clause.	421	26.1. This Charter shall be governed by English law and any dispute arising out of this Charter shall be referred to arbitration in London, one arbitrator being appointed by each party, in accordance with the Arbitration Acts 1950 and 1973 or any statutory modification or re-enactment thereof for the time being in force. On the receipt by one party of the nomination in writing of the other party's arbitrator, that party shall appoint their arbitrator within fourteen days, failing which the decision of the single Arbitrator appointed shall apply. If two Arbitrators properly appointed shall not agree they shall appoint an umpire whose decision shall be final.	501
The Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.	427	26.2. Any dispute arising out of this Charter shall be referred to arbitration at the place indicated in Box 33, subject to the law and procedures applicable there.	502
22. Bank Guarantee	430	26.3. If Box 33 in Part I is not filled in, sub-clause 26.1, of this Clause shall apply.	503
The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in Box 25 as guarantee for full performance of their obligations under this Charter.	431		504
(Optional, only to apply if Box 25 filled in).	434		505
23. Requisition/Acquisition	435		506
(a) In the event of the Requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to as "Requisition for Hire") irrespective of the date during the Charter period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter period or the period of the "Requisition for Hire" whichever be the shorter.	436		507
The Hire under this Charter shall be payable to the Owners from the same time as the Requisition Hire is payable to the Charterers.	440		508
(b) In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for use by any governmental or other competent authority (hereinafter referred to as "Compulsory Acquisition"), then, irrespective of the date during the Charter period when "Compulsory Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event Charter Hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition".	441		509

Additional Clauses:

27. The Charterers to report monthly to the Owners, giving a list of any outstanding operational payments owing in relation to the vessel. Such outstandings are not to exceed U.S.D. 100,000 (One Hundred Thousand Dollars) at any time, except in the case of drydocking or major repairs, when Charterers are entitled to take advantage of yard's standard payment terms (in such a case a copy of the yard's invoice will be forwarded to the Owners).

28. Crewing to be effected by Manpower Lines or other reputable Crewing Agency in Charterers' option.

29. The Bareboat rate for the 7th & 8th years is to be fixed annually (about 2 months prior to commencement of the period) and is to be based upon the gross time Charter rate negotiated between I.P.L. and the time Charterers E.O.L. with full disclosure provided by I.P.L. The bareboat rate will be the difference between such time Charter rate and cost of U.S.D. 2,300 daily. With minimum rate \$2,150 per day & maximum \$2,350 per day

* 11. Mortgage

(b) The vessel chartered under this charter is to be financed by a mortgage as stated in Box 35. The Charterers undertake to sign a Tripartite Agreement at even date with this charter, made between themselves, the Owners and the mortgagee, and by such signature to acquiesce themselves with all terms, conditions and provisions of the said Tripartite Agreement. The Charterers undertake that they will comply with all instructions or directions in regard to the assignment, enforcement, payment and maintenance of the mortgage, and will keep the mortgagee informed of all matters relating to the mortgage and the vessel.

"BARECON 89" Standard Bareboat Charter

OPTIONAL
PART

9

PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY

(Optional, only to apply if expressly agreed and stated in Box 35)

Conditions and Building Contract

The Vessel shall be constructed in accordance with the Building Contract (hereinafter called "the Building Contract") as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans being counter-signed as approved by the Charterers.

No change shall be made in the Building Contract or in the specifications or in the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.

The Charterers shall have the right to send their representative to the Builders to inspect the Vessel during the course of her construction to satisfy himself that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.

The Vessel shall be built in accordance with the Building Contract and shall be the description set out therein provided nevertheless that the Charterers shall be bound to accept the Vessel from the Owners on the date of delivery by the Builders as having been completed and constructed in accordance with the Building Contract and the Charterers undertake that after having so accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects if any except that in respect of any repair or replacement of any defects which appear within the first 12 months from delivery the Owners shall use their best endeavours to recover any and all expenses incurred in remedying such defects from the Builders, but shall only be able to the Charterers to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers) provided that the Charterers shall be bound to pay such sums as the Owners are able to recover under this clause and shall not claim upon the Owners for any difference between the amounts so recovered and the actual expenditure incurred on repairs or replacements or for loss of time incurred thereby.

Date of Delivery

On delivery of the Vessel having completed her acceptance trials including trials in accordance with the Building Contract and specifications annexed thereto, the Charterers shall give the Charterers' order of delivery of the Vessel when ready for delivery at the Builders' Yard or other place and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Charterers have estimated that the Vessel will be ready for delivery to the Owners as provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of the foregoing. The Charterers shall not be obliged to take delivery of the Vessel until she has been classed and documented as provided in this Charter and is free for transfer to the flag she has to fly. Subject as aforesaid the Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and after such acceptance the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or

1 warranties, whether express or implied, as to the seaworthiness of the Vessel or in
2 respect of delay in delivery or otherwise howsoever.
3 (b) If for any reason other than a default by the Owners under the Building
4 Contract, the Builders become entitled under that Contract not to deliver the
5 Vessel to the Owners, the Owners shall upon giving to the Charterers written
6 notice of Builders becoming so entitled, be excused from giving delivery of the
7 Vessel to the Charterers and upon receipt of such notice by the Charterers this
8 Charter shall cease to have effect.
9 (c) If for any reason the Owners become entitled under the Building Contract to
10 reject the Vessel the Owners shall, before exercising such right of rejection,
11 consult the Charterers and thereupon
12 (i) If the Charterers do not wish to take delivery of the Vessel they shall inform the
13 Owners within seven (7) days by notice in writing and upon receipt by the
14 Owners of such notice this Charter shall cease to have effect; or
15 (ii) If the Charterers wish to take delivery of the Vessel they may by notice in
16 writing within seven (7) days require the Owners to negotiate with the Builders
17 as to the terms on which delivery should be taken and/or refrain from
18 exercising their right to rejection and upon receipt of such notice the Owners
19 shall commence such negotiations and/or take delivery of the Vessel from the
20 Builders and deliver her to the Charterers;
21 (iii) In no circumstances shall the Charterers be entitled to reject the Vessel
22 unless the Owners are able to reject the Vessel from the Builders;
23 (iv) If this Charter terminates under sub-clause (b) or (c) of this Clause, the
24 Owners shall thereafter not be liable to the Charterers for any claim under or
25 arising out of this Charter or its termination.

Guarantee Works

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29 If not otherwise agreed, the Owners authorize the Charterers to arrange for the
30 guarantee works to be performed in accordance with the building contract terms,
31 and hire to continue during the period of guarantee works. The Charterers have to
32 advise the Owners about the performance to the extent the Owners may request.

Name of Vessel

33 The name of the Vessel shall be mutually agreed between the Owners and the
34 Charterers and the Vessel shall be painted in the colours, display the funnel
35 insignia and fly the house flag as required by the Charterers.

Survey on Redelivery

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37 The Owners and the Charterers shall appoint surveyors for the purpose of
38 determining and agreeing in writing the condition of the Vessel at the time of re-
39 delivery.
40 Without prejudice to Clause 14 (Part II), the Charterers shall bear all survey
41 expenses and all other costs, if any, including the cost of docking and undocking,
42 if required, as well as all repair costs incurred.
43 The Charterers shall also bear all loss of time spent in connection with any
44 docking and undocking as well as repairs, which shall be paid at the rate of Hire
45 per day or pro rata.

PART IV
HIRE/PURCHASE AGREEMENT

(Optional, only to apply if expressly agreed and stated in Box 39)

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1 with the purchase and registration under Buyers' flag, shall be for Buyers' 24
2 account. Any taxes, consular and other charges and expenses connected with 25
3 closing of the Sellers' register, shall be for Sellers' account. 26
4 In exchange for payment of the last month's hire instalment the Sellers shall 27
5 furnish the Buyers with a Bill of Sale duly attested and legalized, together with a 28
6 certificate setting out the registered encumbrances, if any. On delivery of the 29
7 Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register 30
8 and deliver a certificate of deletion to the Buyers. 31
9 The Sellers shall, at the time of delivery, hand to the Buyers all classification 32
10 certificates (for hull, engines, anchors, chains, etc.), as well as all plans which 33
11 may be in Sellers' possession. 34

12 The Wireless Installation and Nautical Instruments, unless on hire, shall be 35
13 included in the sale without any extra payment. 36

14 The Vessel with everything belonging to her shall be at Sellers' risk and expense 37
15 until she is delivered to the Buyers, subject to the conditions of this Contract and 38
16 the Vessel with everything belonging to her shall be delivered and taken over as 39
17 she is at the time of delivery, after which the Sellers shall have no responsibility for 40
18 possible faults or deficiencies of any description. 41

19 The Buyers undertake to pay for the repatriation of the Captain, officers and other 42
20 personnel if appointed by the Sellers to the port where the Vessel entered the 43
21 Bareboat Charter as per Clause 2 (Part II) or to pay the equivalent cost for their 44
22 journey to any other place. 45

PART V
PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

(Optional, only to apply if expressly agreed and stated in Box 40)

1 Termination of Charter by Default 13
2 If the Vessel chartered under this Charter is registered in a Bareboat Charter 14
3 Register as stated in Box 41, and if the Owners shall default in the payment of any 15
4 amounts due under the mortgage(s) specified in Box 26, the Charterers shall, if so 16
5 required by the mortgage(s), direct the Owners to re-register the Vessel in the 17
6 Underlying Registry as shown in Box 42. 18

7 In the event of the Vessel being deleted from the Bareboat Charter Registry as 19
8 stated in Box 41, due to a default by the Owners in the payment of any amounts due 20
9 under the mortgage(s), the Charterers shall have the right to terminate this 21
10 Charter forthwith and without prejudice to any other claim they may have against 22
11 the Owners under this Charter. 23

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11 Chartered under this Charter is financed by a mortgage and the 11
12 Clause 11 (a) (Part II) shall apply. 12

THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO) STANDARD BAREBOAT CHARTER CODE NAME "BARECON 89"		PART 1	
1. Shipbroker's name and address Simpson Spence & Young Shipbrokers Ltd, London		2. Place and date London 18/12/97	
3. Owners/Place of business Sterling Navigation S.A. of Panama c/o Ocean Trade S.A. of Panama Omega Building 80 Kliffissias Ave, Gr-151 25 Amarousion, GREECE		4. Bareboat charterers (Charterers)/Place of business IPL Shipholding S.A., of Panama c/o Interpacific Lines Co. Ltd 6th Floor, Toranomon, 33 Mori Building 3-8-21, Toranomon, Minato-Ku Tokyo JAPAN	
5. Vessel's name, Call Sign and Flag (CL 9(c)) "OCEAN LEO"			
6. Type of Vessel MULTI-PURPOSE RO/RO		7. GRT/RTT 7642 / 2843	
8. When/Where built 9/ 1989 - Shin Kurushima Dock of Japan		9. Total DWT (abk) in metric tons on summer freeboard 8,212	
10. Class (CL 9) NK.		11. Date of last special survey by the Vessel's classification society 5/1994	
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to CL 14) 115.02 M LOA / 19.20 MTR Beam / 2 Holds / 2 Hatches 645,597.75 / 605,876.50 CBFT Grain Bale.			
13. Port or Place of delivery (CL 2) Safe Berth or anchorage at safe port Singapore / Japan range 'Back to Back' with delivery of the vessel to owners under the Memorandum of Agreement 4th December 1997.		14. Time for delivery (CL 3)	15. Cancelling date (CL 4)
		16. Port or Place of redelivery (CL 14) Safe port, Singapore/Japan range, including China, South Korea, USEC, VSWC, Garibs, VSG, Red Sea passing Muscat outbound, UK/cont, (Skaw-Gibraltar range) full Mediterranean excluding Black Sea, port in Charterers option	
17. Running days' notice if other than stated in CL 3 N/A		18. Frequency of dry-docking if other than stated in CL 9(f) 30 Months (See Clause 9 (F))	
19. Trading Limits (CL 5) Within Institute warranty limits, (charterers' option to break same, paying extra insurance), excluding Israel, North Korea, Angola, war or war-like zones			
20. Charter period Eight (8) Years, Charterers option declarable 4 months in advance to extend for a further 2 years in direct continuation.		21. Charter hire (CL 10) USD 3,700 per day or pro-rata from delivery for first (8) years. Rate for years 9 + 10 see clause 29.	
22. Rate of interest payable acc. to CL 10(f) and, if applicable, acc. to PART IV N/A		23. Currency and method of payment (CL 10) N/A	

In 1974 as "Barecon 89" and "Barecon 89" revised 1989

11
PART I

continued, "BARECON 25" Standard Bareboat Charter

24. Place of payment; also state beneficiary and bank account (CL 10) To be advised by Owners.	25. Bank guarantee/bond (sum and place) (CL 22) (optional) The charterers will pay during February 1998 the amount of USD 129,500 to owners, and to be released back to the charterers in three equal amounts, at the end of the first, second and third year.
26. Mortgage(s), if any, (state whether CL 11(a) or (b) applies; if 11(b) applies state date of Deed(s) of Covenant and name of Mortgagee(s)/Place of business) (CL 11) 11.B. applies. Copy of Mortgage to be attached. Mortgagees to be advised.	27. Insurance (marine and war risks) (state value acc. to CL 12(f) or, if applicable, acc. to CL 12(g)) (also state if CL 13 applies) USD
28. Additional insurance cover, if any, for Owners' account limited to (CL 12(f)) or, if applicable, (CL 13(a))	29. Additional insurance cover, if any, for Charterers' account limited to (CL 12(f)) or, if applicable, (CL 13(a)) USD 1,000,000
30. Latent defects (only to be filled in if period other than stated in CL 2)	31. War cancellation (indicate countries agreed) (CL 24) U.S.A., Japan, United Kingdom, France.
32. Brokerage commission and to whom payable (CL 25) 5.0 Percent total. 1.25 Percent charterers' address. 1.25 Percent Simpson Spence & Young Shipbrokers Ltd (Both commission deductible from the hire) 2.5 Percent to Ocean Trade S.A. of Panama	34. Number of additional clauses covering special provisions, if agreed Three (3)
33. Law and arbitration (state 26.1, 26.2, or 26.3 of CL 26 as agreed; if 26.1 agreed, also state place of arbitration) (CL 26) English Law / Arbitration London	36. Name and place of Builders (only to be filled in if Part III applies)
35. Newbuilding Vessel (indicate with "yes" or "no" whether Part III applies) (optional)	37. Date of Building Contract (only to be filled in if Part III applies)
37. Vessel's Yard Building No. (only to be filled in if Part III applies)	40. Bareboat Charter Registry (indicate with "yes" or "no" whether Part V applies) (optional)
39. Hire Purchase agreement (indicate with "yes" or "no" whether Part IV applies) (optional)	42. Country of the Underlying Registry (only to be filled in if Part V applies)
41. Flag and Country of the Bareboat Charter Registry (only to be filled in if Part V applies)	

WARRANTY - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and shall only form part of this Charter if expressly agreed and stated in the Boxes 35, 39 and 40. If PART III and/or PART IV and/or PART V apply, it is further mutually agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners)

Owners, Sterling Navigation S.A. of Panama

By: *[Signature]*
B. Zayas / Attorney-in-Fact

Signature (Charterers)

IPL SHIPHOLDING S.A. of Panama

[Signature]
SHOICHI NOGUCHI

PART II
"BARECON 89" Standard Bareboat Charter

unused lubricating oils in to and unapproached lubricating oil in drums at the last supplied prices supported by vouchers. payment will be made for bunk repaying on board at the last supplied prices su-

1. Definitions

In this Charter, the following terms shall have the meanings hereby assigned to them:

"The Charterer" shall mean the person or company registered as Owners of the Vessel.

"The Charterers" shall mean the Bareboat charterers and shall not be construed to mean a time charterer or a voyage charterer.

2. Delivery (not applicable to newbuilding vessels)

The Vessel shall be delivered to the Charterers at the place indicated in Box 12, in such ready berth as the Charterers may direct. The Owners shall before and at the time of delivery exercise due diligence to make the Vessel ready to receive the Charterers in full machinery and equipment for service under this Charter. The Vessel shall be properly documented at time of delivery.

The delivery to the Charterers of the Vessel and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners' obligations under Clause 1, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any condition, representations or warranties expressed or implied with respect to the Vessel, but the Charterers shall be responsible for repairs or renewals occasioned by defects in the Vessel, her machinery or appliances, existing at the time of delivery under the Charter, provided such defects have manifested themselves within 15 months after delivery unless otherwise provided in Box 22.

Back to back with attached Memorandum of Agreement

3. Time for Delivery (not applicable to newbuilding vessels)

The Vessel shall be delivered to the Charterers at the place indicated in Box 12, in such ready berth as the Charterers may direct.

Unless otherwise agreed in Box 17, the Owners to give the Charterers not less than 30 running days' preliminary notice and not less than 14 days' definite notice of the date on which the Vessel is expected to be ready for delivery. The Charterers shall keep the Charterers closely advised of possible changes in the delivery date.

As per attached Memorandum of Agreement.

4. Cancellation (not applicable to newbuilding vessels)

Should the Vessel not be delivered to the Charterers by the date indicated in Box 15, the Charterers shall have the option of cancelling this Charter without prejudice to any claim the Charterers may otherwise have against the Owners under the Charter.

If it appears that the Vessel will be delayed beyond the cancelling date, the Owners shall, as soon as they are in a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers advising whether they will exercise their option of cancelling, and the option must then be declared within one hundred and thirty-eight (138) hours of the receipt by the Charterers of such notice. If the Charterers do not then exercise their option of cancelling, the seventh day after the receipt of such notice in the Owners' notice shall be regarded as a new cancelling date for the purposes of this Charter.

As per attached Memorandum of Agreement.

5. Trading Limits

The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in Box 13.

The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the Instruments of Insurance (including any warranties expressed or implied therein) without first obtaining the consent to such employment of the insurers and complying with such requirements as to extra premium or otherwise as the insurers may prescribe. If required, the Charterers shall keep the Owners and the Mortgagees advised of the intended employment of the Vessel.

The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying black or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading thereof.

6. Appointment of a joint/independent surveyor**6. Survey (not applicable to newbuilding vessels)**

Survey of Delivery and Redelivery. - The Owners and Charterers shall each appoint a surveyor for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. The Owners shall bear all expenses of the On-Survey including loss of time, if any, and the Charterers shall bear all expenses of the On-Survey including loss of time, if any, at the rate of hire per day or pro rata, also including in each case the cost of any docking and undocking, if required, in connection herewith.

but without interfering with the vessel's operation

7. Inspection

Inspection. - The Owners shall have the right at any time to inspect or survey the Vessel or instruct a duly authorized surveyor to carry out such survey on their behalf to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. Inspection or survey in drydock shall be made only when the Vessel shall be in drydock for the Charterers' purpose. However, the Owners shall have the right to require the Vessel to be dry-docked for inspection if the Charterers are not docking her at normal classification intervals. The fees for such inspection or survey shall in the event of the Vessel being bound to be in the condition provided in Clause 9 of this Charter be payable by the Owners and shall be paid by the Charterers only in the event of the Vessel being bound to require repairs or maintenance in order to achieve the condition so provided. All time taken in respect of inspection, survey or repairs shall count as time on hire and shall form part of the Charter period.

The Charterers shall also permit the Owners to inspect the Vessel's log books whenever requested and shall whenever required by the Owners furnish them with all information regarding any casualties or other accidents or damage to the Vessel. For the purpose of this Clause, the Charterers shall keep the Owners advised of the intended employment of the Vessel.

The Owners have the right to place a riding inspector at all times on board with full access to the Vessel's log books and to the Vessel's equipment.

8. Maintenance and Operation

(a) The Vessel shall during the Charter period be in the full possession and complete control in every respect. The Charterers shall maintain the Vessel, her machinery, boilers, appliances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, except as provided for in Clause 12, they shall keep the Vessel with unexpired classification at the class indicated in Box 10 and with other required certificates in force at all times.

The Charterers to take immediate steps to have the necessary repairs done within a reasonable time (falling within the Owners' shall have the right of withdrawing the Vessel from the service of the Charterers without any protest and without prejudice to any claim the Owners may otherwise have against the Charterers under the Charter.

Unless otherwise agreed, in the event of any improvement, structural changes or expensive new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing more than 5 per cent. of the Vessel's marine insurance value as stated in Box 27, then the cost, if any, to which the cost of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a "reasonable" distribution thereof as between the Owners and the Charterers hereunder, shall, in the absence of agreement, be referred to arbitration according to Clause 26.

The Charterers are required to establish and maintain financial security or responsibility in respect of oil or other pollution damage as required by any government, including Federal, state or municipal or other national or authority thereof, to enable the Vessel, without penalty or charge, to comply to enter, remain at or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof. The Charterers shall make and maintain all arrangements by land or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.

TOYALOP SCHEME. (Applicable to oil tank vessels only.) - The Charterers are required to enter the Vessel under the TOYALOP SCHEME or under any similar compulsory scheme upon delivery under this Charter and to maintain her so during the currency of this Charter.

(b) The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and repair the Vessel whenever required during the Charter period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including any foreign general municipal and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, even if for any reason appointed by the Owners.

Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law.

(c) During the currency of this Charter, the Vessel shall retain her present name as indicated in Box 5 and shall remain under and by the flag as indicated in Box 5. Provided, however, that the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and by their own house flag, painting and re-painting, instalment and re-instalment, to be for the Charterers' account and time used thereby to count as time on hire.

(d) The Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appliances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of the Charter.

(e) The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period if requested by the Owners.

Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.

(f) The Charterers shall drydock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not more than once in each calendar year.

12. Hire

(a) The Charterers shall pay to the Owners for the hire of the Vessel at the calendar month as indicated in Box 21 commencing on and after the date and hour of her delivery to the Charterers and at and after the agreed hour for any part of a month. Hire to continue until the date and hour when the Vessel is redelivered by the Charterers to the Owners.

(b) Payment of Hire, except for the first and last month's Hire, shall be made in advance on the first day of each month in the currency and in the manner indicated in Box 23 and at the place mentioned in Box 24.

In case there is a dispute as to whether the Vessel is in the condition provided in Clause 9, then the opinion of an N.K. Class Surveyor shall be conclusive.

In case there is a dispute as to whether the Vessel is in the condition provided in Clause 9, then the opinion of an N.K. Class Surveyor shall be conclusive.

PART II

Interpretation

~~that they were not a part of the same group~~
~~and that they were not a part of the same group~~
~~and that they were not a part of the same group~~

4. Proposed Example

10. The Charterers shall arrange and keep any of the Insurance provided for under the provisions of sub-clause (a) above in the manner described therein, the Owners shall notify the Charterers whereupon the Charterers shall rectify the position within seven running days, failing which Owners shall have the right to withdraw the Vessel from the service of the Charterers without prejudice to any claim the Owners may otherwise have against the Charterers.

to be used for repairs under the provisions of sub-clause (a) of this Clause for repairs of latent defects according to Clause 2 above including any time on hire and shall form part of the Charter period.

13) Should the Vessel become an actual, constructive, compromised or agreed total loss under the Insurances required under sub-clause (a) of Article 12, all insurance payments for such loss shall be paid to the Mont-Dore Group, if any, in the manner described in the Dred(s) of Covenant, who shall designate the manner of distribution between themselves, the Owner and the Charterers according to their respective interests. The Charterers undertake to notify the Owner and the Mont-Dore Group, if any, of any occurrences in consequence of which the Vessel is likely to become a Total Loss as defined in this Clause.

(7) For the purpose of insurance coverage against marine and war risks under the provisions of sub-clause (a) of this Clause, the value of the Vessel is the sum indicated in Box 27.

(a) During the Charter period the Vessel shall be kept insured by the Owners at the expense against marine and war risks under the form of policy or policies attached hereto. The Owners and/or charterers shall not have any right

~~of recovery or subrogation against the Charterers or their
damage to the Vessel or her machinery or appurtenances covered by such
insurance, or on account of payments made to discharge claims against
the bodies of the Vessel, or the Owners covered by such insurance. All
insurance policies shall be in the joint names of the Owners and the
Charterers and their interests may attach to such policies.~~

Charterers to place satisfactory to Owners; insure with Owners and the mortgagees as sole beneficial

(c) In the event of liability due to negligence or willful misconduct of the Charterer, the Charterers shall pay to the Owners all the insurance herein provided, the Charterers against all claims and demands which losses and indemnity the Owners against all claims and demands which would otherwise have been covered by such insurance.

(a) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurers and/or not exceeding any possible limit of liabilities provided for in the Insurance.

The Owners shall not be responsible for any expenses at all incurred in the use and operation of the Vessel for such time as may be required to make such repairs.

any additional insurance covering the cargo, and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.

(f) If the Vessel becomes an actual constructive total loss under the insurances arranged by the Owners in accordance with sub-clause (e) of this Clause, this Charter shall terminate as of the date of

the provisions of sub-clause (a) of this Clause, the value of the Vendor's share of the sum indicated in Box 27.

16 Redelivery

The Charterers shall at the expiration of the Charter party, return the Vessel at a sale and ice-free port or place as indicated in Box 15. The Charterers shall give the Owners not less than 30 running days' preliminary notice of expected date, range of ports of call, range of dates of redelivery and port or place of redelivery. Any changes thereafter in Vessel's itinerary shall be notified immediately to the Owners.

Should the Vessel be ordered on a voyage by which the Charter period may be exceeded the Charterers to have the use of the Vessel to enable them to complete the voyage, provided it could be reasonably calculated that the voyage would allow redelivery about the time fixed for the termination of the

The Vessel shall be redelivered to the Owners in the same or as good structure, state, condition and class as that in which she was delivered, less wear and tear not affecting class, excepted.

15. Non-Use and Indemnity to be "as is" as agreed

The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the Charter period a notice reading as

This Vessel is the property of [name of Owners]. It is under charter to [name of Charterers] and by the terms of the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or permit to be created, whatsoever,

The Charterers shall indemnify and hold the Owners harmless against any item of whatsoever nature arising upon the Vessel during the Charter period while the is under the control of the Charterers, and against any claims made by the Owners arising out of or in relation to the operation of the Vessel.

by the Charterers. Should the Vessel be arrested by reason of claims or demands arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released and at their own expense put up bail to

12. Lien. The Owners to have a lien upon all cargoes and sub-freights belonging to the Charterers and to be paid for all claims under this Charter, and

Charterers and any Bill of Lading
the Charterers to have a lien on the Vessel for all moneys paid in advance and
not earned.

All damage and repairs performed by the Vessel shall be for the benefit of the cargo and the cost of repairing damage occasioned thereby shall be borne by the Charterers.

5

1. Wreck Removal 405
In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation. 409
1. General Average 410
General Average, if any, shall be adjusted according to the York-Antwerp Rules 1974 or any subsequent modification thereof current at the time of the casualty. 413
The Charter Hire not to contribute to General Average. 414
1. Assignment and Sub-Demise 415
The Charterers shall not assign this Charter nor sub-demise the Vessel except with the prior consent in writing of the Owners which shall not be unreasonably withheld and subject to such terms and conditions as the Owners shall approve. 419
1. Bills of Lading 420
The Charterers are to procure that all Bills of Lading issued for cargo of goods under this Charter shall contain a Paramount Clause incorporating any legislation relating to Carrier's liability for cargo computability applicable in the trade; if no such legislation exists, the Bills of Lading shall incorporate the British Carriage of Goods by Sea Act. The Bills of Lading shall also contain the amended New Jason Clause and the Both-to-Blame Collision Clause. 426
The Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents. 429
1. Guarantee 430
Charterers undertake to furnish, before delivery of the Vessel, a first class guarantee or bond in the sum and at the place as indicated in Box 25 as antee for full performance of their obligations under this Charter. 433
(Optional, only to apply if Box 25 filled in). 434
1. Requisition/Acquisition 435
(a) In the event of the Requisition for hire of the Vessel by any governmental or other competent authority (hereinafter referred to as "Requisition for Hire") irrespective of the date during the Charter period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter period or the period of the "Requisition for Hire" whichever be the shorter. 449
The hire under this Charter shall be payable to the Owners from the same time as the Requisition Hire is payable to the Charterers. 451
In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for hire by any governmental or other competent authority (hereinafter referred to as "Compulsory Acquisition"), then, irrespective of the date during the Charter period when "Compulsory Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event Charter Hire to be considered as earned and to be paid up to the date and rate of such "Compulsory Acquisition". 459
24. War 460
(a) The Vessel unless the consent of the Owners be first obtained not to be ordered nor continue to any place or on any voyage nor be used on any service which will bring her within a zone which is dangerous as the result of any actual or threatened act of war, war, hostilities, warlike operations, acts of piracy or of hostility or malicious damage against this or any other vessel or its cargo by any person, body or State whatsoever, revolution, civil war, civil commotion or the operation of international law, nor be exposed in any way to any risks or penalties whatsoever consequent upon the imposition of Sanctions, nor carry any goods that may in any way expose her to any risks of seizure, capture, penalties or any other interference of any kind whatsoever by the belligerent or fighting powers or parties or by any Government or Ruler. 471
(b) The Vessel to have liberty to comply with any orders or directions as to departure, arrival, routes, ports of call, stoppages, destination, delivery or in any other wise whatsoever given by the Government of the nation under whose flag the Vessel sails or any other Government or any person (or body) acting or purporting to act with the authority of such Government or by any committee or person having under the terms of the war risks insurance on the Vessel the right to give any such orders or directions. 478
(c) In the event of outbreak of war (whether there be a declaration of war or not) between any two or more of the countries as stated in Box 34, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 14, if she has cargo on board after discharge thereof at destination, or if debarrd under this Clause from reaching or entering it at a near open and safe port as directed by the Owners, or if she has no cargo on board, at the port at which she then is or if at sea at a near open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 10 and except as aforesaid all other provisions of this Charter shall apply until redelivery. 489
directly affecting performance of this Charter Party.
25. Commission 490
The Owners to pay a commission at the rate indicated in Box 32 to the Brokers named in Box 32 on any Hire paid under the Charter but in no case less than is necessary to cover the actual expenses of the Brokers and a reasonable fee for their work. If the full Hire is not paid owing to breach of Charter by either of the parties the party liable therefor to indemnify the Brokers against their loss of commission. 495
Should the parties agree to cancel the Charter, the Owners to indemnify the Brokers against any loss of commission but in such case the commission not to exceed the brokerage on one year's Hire. 499
26. Law and Arbitration 500
26.1. This Charter shall be governed by English law and any dispute arising out of this Charter shall be referred to arbitration in London, one arbitrator being appointed by each party, in accordance with the Arbitration Acts 1950 and 1979 or any statutory modification or re-enactment thereof for the time being in force. On the receipt by one party of the nomination in writing of the other party's arbitrator, that party shall appoint their arbitrator within fourteen days, failing which the decision of the single Arbitrator appointed shall apply. If two Arbitrators properly appointed shall not agree they shall appoint an umpire whose decision shall be final. 509
~~26.2. Disputes arising out of this Charter, the matter in dispute shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision, that of any two of them shall be final, and for purpose of enforcing any award, this agreement may be made a rule of the Court. 514
The arbitrators shall be members of the Society of Maritime Arbitrators, Inc. of New York and the proceedings shall be conducted in accordance with the rules of the Society. 516
26.3. Any dispute arising out of this Charter shall be referred to arbitration at the place indicated in Box 33, subject to the law and procedures applicable there. 518
26.4. If Box 33 in Part I is not filled in, sub-clause 26.1. of this Clause shall apply. 522
~~26.5. and 26.6. shall remain in force and effect unless agreed in Box 33. 523~~~~

Additional Clauses:

27. The Charterers to report monthly to the Owners, giving a list of any outstanding operational payments owing in relation to the vessel. Such outstandings are not to exceed U.S. \$100,000 (One Hundred Thousand Dollars) at any time, except in the case of drydocking or major repairs, when Charterers are entitled to take advantage of yard's standard payment terms (in such a case a copy of the yard's invoice will be forwarded to the Owners).

28. Crewing to be effected by Magsaysay Lines or other reputable Crewing Agency in Charterers' option.

29. The Charterers have the option, declarable latest 4 months in advance, to extend for a further 2 years in direct continuation, one month more or less in Charterers option. For the optional period minimum US\$ 3,400 maximum US\$ 3,900 daily. The rate for each year of the optional period is to be based on the gross time charter rate negotiated between IPL and the time charterers, EOL, with full disclosure provided by IPL. The BS rate will be the difference between such time charter rate and operating costs of US\$ 2,400 daily. For example, if for the 9th year at time charter rate of US\$ 6,000 daily is agreed, then the BS rate shall be US\$ 3,600 daily. (This is always subject to the minimum/maximum figures above)

11. Mortgage

(b) The vessel chartered under this charter is to be financed by a mortgage as stated in Box 26. The Charterers undertake to sign a Tripartite Agreement of even date with this charter, made between themselves, the Owner and the mortgagee, and by such signature to acquaint themselves with all terms, conditions and provisions of the said Tripartite Agreement. The Charterers undertake that they will comply with all instructions or directions in regard to the employment, insurance, repairs and maintenance of the vessel etc. as laid down in the Tripartite Agreement or as may be directed from time to time during the currency of the

OPTIONAL
PART

"BARECON 89" Standard Bareboat Charter

PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY

(Optional, only to apply if expressly agreed and stated in Box 35)

Sections and Building Contract

The Vessel shall be constructed in accordance with the Building Contract (here called "the Building Contract") as annexed to this Charter, made on the Builders' and the Owners' and in accordance with the specifications and annexed thereto, such Building Contract, specifications and plans have been counter-signed as approved by the Charterers.

Any change shall be made in the Building Contract or in the specifications or of the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.

The Charterers shall have the right to send their representative to the Builders' to inspect the Vessel during the course of her construction to satisfy himself that construction is in accordance with such approved specifications and as referred to under sub-clause (a) of this Clause.

The Vessel shall be built in accordance with the Building Contract and shall be described set out therein provided nevertheless that the Charterers shall not be obliged to accept the Vessel from the Owners on the date of delivery by the Builders and the Charterers undertake that after having so accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects if any except that in respect of repair or replacement of any defects which appear within the first 12 months from delivery the Owners shall use their best endeavours to recover any sums incurred in remedying such defects from the Builders, but shall only be Charterers to the extent the Owners have a valid claim against the Builders or the guarantee clause of the Building Contract (a copy whereof has been provided to the Charterers) provided that the Charterers shall be bound to indemnify the Owners as to the extent the Owners are able to recover under this clause and shall not be liable upon the Owners for any difference between the amounts so recovered and the actual expenditure incurred on repairs or replacements or for any sums incurred thereby.

Place of Delivery

As to the Vessel having completed her acceptance trials including trials to equipment in accordance with the Building Contract and specifications satisfaction of the Charterers, the Owners shall give and the Charterers shall accept delivery of the Vessel at the Builders' Yard or at the Builders' dock, wharf or place as may be agreed in the parties hereto and the Builders. Under the Building Contract the Charterers have estimated that the Vessel will be ready for delivery to the Owners as provided that the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of the Vessel whether that be before or after as indicated in the Building Contract, and the Charterers shall not be obliged to take delivery of the Vessel until she has been classed and documented as provided in this Charter and free for transfer to the flag she has to fly. Subject as aforesaid the Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and no after such acceptance the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or

warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery or otherwise howsoever.

(b) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon

(i) If the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or

(ii) If the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;

(iii) In no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders;

(iv) If this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.

Guarantee Works

If not otherwise agreed, the Owners authorize the Charterers to arrange for the guarantee works to be performed in accordance with the building contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.

PART IV
HIRE/PURCHASE AGREEMENT

(Optional, only to apply if expressly agreed and stated in Box 39)

From the date of this Charter and provided the Charterers have fulfilled their obligations under Part I and II as well as Part III, if applicable, it is agreed that the last month's hire instalment as per Clause 10 the Charterers shall deliver to the Vessel with everything belonging to her and the Vessel is fully

owned by the Charterers. If the instalment due is delayed for less than 7 running days or for more than the Charterers' contract, the right of withdrawal under the terms of Part II shall not be exercised. However, any delay in payment of the instalment shall entitle the Owners to an interest at the rate per annum as stated in Box 22. If Box 22 has not been filled in the current market rate in the country where the Owners have their Principal Place of Business shall apply.

As to paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.

The Vessel shall be delivered by the Sellers and taken over by the Buyers on the date of delivery.

The Sellers warrant that the Vessel, at the time of delivery, is free from all liens and maritime liens or any debts whatsoever other than those which are payable or not done by the Buyers or any existing mortgage which shall be paid off by the time of delivery. Should any claims, which have arisen prior to the time of delivery be made against the Vessel, the Sellers undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims, interest, notarial, consular and other charges and expenses connected

with the purchase and registration under Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with the closing of the Sellers' register, shall be for Sellers' account.

In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.

The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers' possession.

The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.

The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Charter and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.

The Buyers undertake to pay for the repatriation of the Captain, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 2 (Part II) or to pay the equivalent cost for their journey to any other place.

PART V

PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

(Optional, only to apply if expressly agreed and stated in Box 40)

These of this PART V, the following terms shall have the meanings assigned to them:

"Bareboat Charter Registry" shall mean the registry of the State whose flag the Vessel flies, in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.

"Bareboat Charter" shall mean the registry of the State in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel revert upon termination of the Bareboat Charter Registration.

The Charter under this Charter is financed by a mortgage and the

Termination of Charter by Default

If the Vessel is chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 41, and if the Owners shall default in the payment of any instalment due under the mortgage(s) specified in Box 26, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Bareboat Charter Registry as shown in Box 42.

In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 41, due to a default by the Owners in the payment of any instalment due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.

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First Jointly Adopted by the International Maritime Council (IMCO), Copenhagen 1989
The Baltic Sea, ... as "Barecon 'A'" and "Barecon 'B'"
1989 and amended 1989

Adopted by the Japanese Committee of the Japan Shipping Exchange, Inc., Tokyo

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The Baltic and International Maritime Council
(IMCO), Copenhagen, September 1989

SIMPSON, SPENCE & YOUNG SHIPBROKERS LTD. LONDON		STANDARD BAREBOAT CHARTER CODE NAME: "BARECON 89"	
2. Owners/Place of business Panaport Shipping S. A. Panama c/o Drytank S. A. 13 Skouze Street Piraeus 185 35 Greece		4. Bareboat charterers (Charterers)/Place of business Ocean Cool Shipholding S.A., of Panama c/o INTERPACIFIC LINES CO., LTD. 6th Floor, Toranomon 33 Mori Building, 3-8-21, Toranomon, Minato-Ku Tokyo Japan	
5. Vessel's name, Call Sign and Flag (CL 9(c)) m.v. "KOHAI"			
6. Type of Vessel Reefer Vessel		7. GRT/NRT 5,545 / 3,204	
8. When/Where built April 1989, Takamatsu City, Kagawa Pref. Japan		9. Total DWT (abt) in metric tons on summer freeboard 7,168 MT	
10. Class (CL 9) Nippon Kaiji Kyokai, NS*, MNS*, JMC* (25 Deg C)		11. Date of last special survey by the Vessel's classification society May 1994	
12. Further particulars of Vessel (also indicate minimum number of manning validity of class certificates agreed acc. to CL 14) Draft, Loaded: 7.16 metres / LOA: 146.02 metres / Beam: 18.50 metres 4 Holds/4 Hatches 333,081 Cbft Bale			
13. Port or Place of delivery (CL 2) Safe port in the Far East upon completion of the New Zealand round voyage commencing at South Korea, expected to be Manila/Philippines around end May/early June 'back to back' with delivery of the vessel to Owners, under Memorandum of Agreement, dated 14th April 1997.		14. Time for delivery (CL 3) 1st May-15th June 1997	15. Cancelling date (CL 4) 15th June 1997
17. Running days' notice if other than stated in CL 3 N/A		16. Port or Place of redelivery (CL 14) Safe port, Singapore/Japan, including China and South Korea, USEC, USHC, Caribs, USG, Red Sea, passing Muscat outbound, UK/Cont, (Skaw/Gibraltar range), full Mediterranean excluding Black Sea. Port in Charterers' option.	
19. Trading Limits (CL 5) Within Institute Warranty Limits (Charterers' option to break same, paying extra insurance), including Israel, North Korea, Angola, war or war-like zones.		18. Frequency of dry-docking if other than stated in CL 9(f) 30 months. (See also Clause 9 (f))	
20. Charter period Seven (7) years		21. Charter hire (CL 10) U.S. \$4,350 per day or pro rata from delivery for the first 5 years. Rate for years 6 & 7, see Clause 29.	
22. Rate of interest payable acc. to CL 10(f) and, if applicable, acc. to PART IV N/A		23. Currency and method of payment (CL 10) N/A	

SECOND ORIGINAL


(continued)

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 To be advised by Owners.

25. Mortgage(s), if any, (state whether Cl. 11(a) or (b) applies, if (b) applies state date of deed(s) of Covenant and name of Mortgagee(s) (place of business) (Cl. 11)) 11(b) applies. Copy of mortgage to be attached. First National Bank of Maryland, Baltimore, U.S.A.		The Charterers will pay during May 1997, the amount of USD 175,000 (United States Dollars One Hundred and Seventy Five Thousand) which will be held in an Escrow account with the First National Bank of Maryland, Baltimore USA, in an interest bearing account and to be released back to the Charterers in three equal amounts, at the end of the first year. 27. Insurance (marine and war risks), (state value acc. to Cl. 12(f) or if applicable, acc. to Cl. 13(k)) (also state if Cl. 13 applies) USD 14,000,000	
28. Additional insurance cover, if any, for Owners' account limited to (Cl. 12(b)) or, if applicable, (Cl. 13(g)) USD 1,000,000		29. Additional insurance cover, if any, for Charterers' account limited to (Cl. 12(b)) or, if applicable, (Cl. 13(g)) USD 1,000,000	
30. Latent defects (only to be filled in if period other than stated in Cl. 2) N/A		31. War cancellation (indicate countries agreed) (Cl. 24) U.S.A., Japan, United Kingdom, France.	
32. Brokerage commission and to whom payable (Cl. 25) 1.75 Percent Total 1.25 Percent address commission 0.50 percent to Simpson Spence & Young Shipbrokers Ltd., London (Both commissions deductible from the hire)		34. Number of additional clauses covering special provisions, if agreed Three (3)	
33. Law and arbitration (state 26.1, 26.2, or 26.3, of Cl. 26 as agreed, or 26.4, if agreed, also state place of arbitration) (Cl. 26) English Law / Arbitration London		36. Name and place of Builders (only to be filled in if Part III applies)	
35. Newbuilding Vessel (indicate with "yes" or "no" whether Part III applies) (optional) Yes		38. Date of Building Contract (only to be filled in if Part III applies)	
37. Vessel's Yard Building No. (only to be filled in if Part III applies)		40. Bareboat Charter Registry (indicate with "yes" or "no" whether Part V applies) (optional) Yes	
39. Hire/Purchase agreement (indicate with "yes" or "no" whether Part V applies) (optional) Yes		42. Country of the Underlying Registry (only to be filled in if Part V applies)	
41. Flag and Country of the Bareboat Charter Registry (only to be filled in if Part V applies)		43. Country of the Bareboat Charter Registry (only to be filled in if Part V applies)	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II in the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and shall only form part of this Charter if expressly agreed and stated in the Boxes 35, 39 and 40. If PART III and/or PART IV and/or PART V apply, it is further mutually agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature Owners


 CHRISTOPHER J. THOMAS
 ATTORNEY-IN-FACT

Signature Charterers

Ocean Cool Shipholding S.A.

By: Shoichi Noguchi
 Title: Director

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Definitions

In this Charter, the following terms shall have the meaning hereby assigned to them:
 "The Owners" shall mean the person or company registered as Owners of the Vessel.
 "The Charterers" shall mean the Bareboat charterers and shall not be construed to mean a time charterer or a voyage charterer.

2. Delivery (not applicable to newbuilding vessels)

The Vessel shall be delivered and ready to receive cargo at the place indicated in Box 13, in such ready berth as the Charterers may direct. The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy and in every respect ready to receive cargo and equipment for service under this Charter. The Vessel shall be properly documented at time of delivery.
 The delivery to the Charterers of the Vessel and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners' obligations under this Charter, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, redemptions or warranties expressed or implied with respect to the Vessel but the Owners shall be responsible for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appurtenances, existing at the time of delivery under the Charter, provided such defects have manifested themselves within 18 months after delivery unless otherwise stated in Box 30.

Back to back with attached Memorandum of Agreement

3. Time for Delivery (not applicable to newbuilding vessels)

The Vessel to be delivered not before the date and not later than the date indicated in Box 13, in such ready berth as the Charterers may direct. Unless otherwise agreed in Box 17, the Owners shall be liable to the Charterers not less than 30 running days' preliminary and not less than 14 days' definite notice of the date on which the Vessel is expected to be ready for delivery.
 The Owners shall keep the Charterers closely advised of possible changes in the Vessel's position.

As per attached Memorandum of Agreement

4. Cancelling (not applicable to newbuilding vessels)

Should the Vessel not be delivered before the date indicated in Box 13, the Charterers have the option of cancelling this Charter without prejudice to any claim the Charterers may otherwise have against the Owners under the Charter.
 If it appears that the Vessel will be delayed beyond the cancelling date the Owners shall, as soon as they are in a position to do so, give reasonable notice to the Charterers asking whether they will exercise their option of cancelling; and the option must then be declared within one hundred and sixty-eight (168) hours of the receipt by the Charterers of such notice. If the Charterers do not then exercise their option of cancelling, the seventh day after the receipt of such notice in the Owners' notice shall be regarded as a new cancelling date for the purposes of this Clause.

As per attached Memorandum of Agreement

5. Trading Limits

The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in Box 14.
 The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the Charterparty, without first obtaining the consent to such employment of the Owners, and complying with such requirements as to extra premium or otherwise as the Owners may prescribe. If required, the Charterers shall keep the Owners and the Mortgagees advised of the intended employment at all times.
 The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail or is otherwise risk or in carrying such prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charterparty, the Charterers shall not be liable for nuclear fuels or radioactive products or waste or for any other radioactive material from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained in writing therefor.

6. Appointment of a joint/independent surveyor

6.1 Surveys (not applicable to newbuilding vessels)

Survey on Delivery and Redelivery - The Owners and Charterers shall each appoint a surveyor for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery thereunder. The Owners shall bear all expenses of the On-Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-Survey including loss of time, if any, at the rate of hire per day or pro rata, also including in each case the cost of any docking and undocking, if required, in connection therewith.

6.2 Inspection without interfering with the vessel's operation

Inspection - The Owners shall have the right at any time to inspect or survey the Vessel or instruct a duly authorized surveyor to carry out such survey on their behalf to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. Inspection of survey in dry-dock shall be made only when the Vessel shall be in dry-dock for the Charterers' purpose. However, the Owners shall have the right to require the Vessel to be dry-docked for inspection if the Charterers are not docking her at normal classification intervals. The fees for such inspection or survey shall be the same as for the Vessel being laid up. The cost of such inspection or survey shall be paid by the Charterers only in the event of the Vessel being laid up for repairs or maintenance in order to achieve the condition so prescribed. All time taken in respect of inspection, survey or repairs shall count as time on hire and shall form part of the Charter period.
 The Charterers shall also permit the Owners to inspect the Vessel in dry-dock, whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel. For the purpose of this Clause, the Charterers shall keep the Owners advised of the intended employment of the Vessel.

The Owners have the right to place a resident inspector at all times onboard with full access to technical and commercial information pertaining to Owners.

7. Inventory of Consumable Oil and Stores

A complete inventory of the Vessel's onshore equipment, outfit, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all consumable stores on board the Vessel.

8. Maintenance and Operation

(a) The Vessel shall during the Charter period be in the full possession and absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, except as provided for in Clause 13 (i), they shall keep the Vessel with a working classification of the class indicated in Box 10 and with other required certificates in force at all times. The Charterers to take immediate steps to have the necessary repairs done within a reasonable time failing which the Owners shall have the right of withdrawing the Vessel from the service of the Charterers without notice any protest and without prejudice to any claim the Owners may otherwise have against the Charterers under the Charter.

Unless otherwise agreed, in the event of any improvement, structural changes or extensive new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing more than 5 percent of the Vessel's marine insurance value as stated in Box 27, then the extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under the Charter, shall in the absence of agreement, be referred to arbitration according to Clause 26.

The Charterers are required to establish and maintain financial security or responsibility in respect of oil or other pollution damage as required by any government, including Federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof. The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.

TOVALOP SCHEME (Applicable to oil tank vessels only) - The Charterers are required to enter the Vessel under the TOVALOP SCHEME or under any similar compulsory scheme upon delivery under this Charter and to maintain her so during the currency of this Charter.

(b) The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and repair the Vessel whenever required during the Charter period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including any foreign general municipal and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, even if for any reason appointed by the Owners.

Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law.

(c) During the currency of this Charter, the Vessel shall retain her present name as indicated in Box 5 and shall remain under and fly the flag as indicated in Box 5. Provided, however, that the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. Painting and re-painting, installation and re-installment to be for the Charterers' account and time used thereby to be count as time on hire.

(d) The Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of the Charter.

(e) The Charterers shall have the use of all outfit, equipment and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period if requested by the Owners.

Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.

(f) The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary.

10. Hire - Rate times day

(a) The Charterers shall pay to the Owners for the hire of the Vessel at the rate of per calendar month as indicated in Box 21 commencing on and 19 from the date and hour of her delivery to the Charterers and at and after the 19th day of each month, hire to continue until the date and 19 hour when the Vessel is redelivered by the Charterers to her Owners. 19
 (b) Payment of Hire, except for the first and last month's Hire, if sub-clause (c) of this Clause is applicable, shall be made in cash without discount 19 19 month in advance on the first day of each month in the currency and in the 19 manner indicated in Box 23 and at the place mentioned in Box 24. 19

The opinion of an I.T.C. Class Surveyor shall be maintained to the highest standards regarding fair wear and tear accepted.

The cost of repairing damage occasioned thereby shall be borne by the vessel.

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Charterers shall indemnify the Owners against any sums payable by the Owners in consequence of the vessel becoming a wreck or obstruction to navigation.

19. General Average

General Average, if any, shall be adjusted according to the York-Antwerp Rules 1974 or any subsequent modification thereof current at the time of the casualty.
The Charter Hire not to contribute to General Average.

20. Assignment and Sub-Demise

The Charterers shall not assign this Charter nor sub-charter the Vessel except with the prior consent in writing of the Owners which shall not be unreasonably withheld and subject to such terms and conditions as the Owners shall approve.

21. Bills of Lading

The Charterers are to procure that all Bills of Lading issued for cargo or goods under this Charter shall contain a Paramount Clause incorporating any legislation relating to Carrier's liability for cargo compensation applicable in the trade; if no such legislation exists, the Bills of Lading shall incorporate the British Carriage of Goods by Sea Act. The Bills of Lading shall also contain the amended New Jason Clause and the Both-to-Blame Collision Clause.
The Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.

22. Bank Guarantee

The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in Box 25 as guarantee for full performance of their obligations under this Charter.
(Optional, only to apply if Box 25 filled in).

23. Requisition/Acquisition

(a) In the event of the Requisition for Hire of the Vessel by any governmental or other competent authority hereinafter referred to as "Requisition for Hire" irrespective of the date during the Charter period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it may be an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire on or after the date of "Requisition for Hire" shall be payable to the Charterers during the remainder of the Charter period or the period of the "Requisition for Hire" whichever be the shorter.
The Hire under this Charter shall be payable to the Owners from the same time as the Requisition Hire is payable to the Charterers.
(b) In the event of the Owners being deprived of their ownership of the Vessel by any Compulsory Acquisition of the Vessel or requisition for hire by any governmental or other competent authority (hereinafter referred to as "Compulsory Acquisition"), then, irrespective of the date during the Charter period when "Compulsory Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event Charter Hire to be considered as earned and to be paid to the Charterers and title of such "Compulsory Acquisition".

Additional Clauses:

27. The Charterers to report monthly to the Owners, giving a list of any outstanding operational payments owing in relation to the Vessel. Such outstandings are not to exceed U.S. \$100,000 (One Hundred Thousand Dollars) at any time, except in the case of drydocking or major repairs, when Charterers are entitled to take advantage of yard's standard payment terms (in such a case a copy of the yard's invoice will be forwarded to the Owners).
28. Crewing to be effected by Magsaysay Lines or other reputable Crewing Agency in Charterers' option.
29. The Bareboat rate for the 6th & 7th years will be determined by a market timecharter rate, established by three independent Brokers, SST, Klavéness or Oslo and Ernest Russ of Hamburg. The Bareboat rate will be the agreed timecharter rate, less running costs of USD 3,605 for 6th year and USD 3,710 for the 7th year.

11. Mortgage

- (b) The vessel chartered under this charter is to be financed by a mortgage as stated in Box 26. The Charterers undertake to sign a Tripartite Agreement of even date with this charter, made between themselves, the Owners and the mortgagee, and by such signature to acquaint themselves with all terms, conditions and provisions of the said Tripartite Agreement. The Charterers undertake that they will comply with all instructions or directions in regard to the employment, insurances, repairs and maintenance of the vessel etc., as laid down in the Tripartite Agreement or as may be directed from time to time during the currency of the charter by the mortgagee in conformity with the terms of the Tripartite Agreement.

the Vessel unless the consent of the Owners be first obtained not to be ordered nor continue to any place or on any voyage nor be used on any service which will bring her within a zone which is dangerous as the result of any actual or threatened act of war, war, hostilities, warlike operations, acts of piracy or of hostility or malicious damage against this or any other vessel or its cargo by any person, body or State whatsoever, revolution, civil war, civil commotion or the operation of international law, nor be exposed in any way to any risks or penalties whatsoever consequent upon the imposition of a blockade, capture, detention or any other interference of any kind whatsoever by the belligerent or belligerent powers or parties or by any Government or ruler.
(ii) The Vessel in have liberty to comply with any orders or directions as to a departure, arrival, routes, ports of call, stoppages, destination, delivery or in any other wise whatsoever given by the Government of the nation under a whose flag the Vessel sails or any other Government or any person for body acting or purporting to act with the authority of such Government or by any committee or person having under the terms of the war risks insurance on the Vessel the right to give any such orders or directions.
(iii) In the event of outbreak of war (whether there be a declaration of war or not) between any two or more of the countries as stated in Box 31, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners, in accordance with Clause 14, if the cargo on board after discharge thereof at destination, or if debarked under this Clause from reaching or entering a near open and safe port as directed by the Owners, or if she has no cargo on board, at the port of which she then is or at a near open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 10 and except as aforesaid all other provisions of this Charter shall apply until redelivery.

directly affecting performance of this Charter Party

25. Commission

The Owners to pay a commission at the rate indicated in Box 32 to the Brokers named in Box 33 on any Hire paid under the Charter but in no case less than necessary to cover the actual expenses of the Brokers and a reasonable fee for their work. If the full Hire is not paid owing to breach of Charter by either of the parties the party liable therefor to indemnify the Brokers against their loss of commission.
Should the parties agree to cancel the Charter, the Owners to indemnify the Brokers against any loss of commission but in such case the commission not to exceed the brokerage on one year's Hire.

26. Law and Arbitration

26.1 This Charter shall be governed by English law and any dispute arising out of this Charter shall be referred to arbitration in London, one arbitrator being appointed by each party, in accordance with the Arbitration Acts 1950 and 1979 or any statutory modification or re-enactment thereof for the time being in force. On the receipt by one party of the nomination in writing of the other party's arbitrator, that party shall appoint their arbitrator within fourteen days, failing which the decision of the single Arbitrator appointed shall apply. If two Arbitrators properly appointed shall not agree they shall appoint an umpire whose decision shall be final.

26.2 The Arbitrators shall be appointed in New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision shall be final and their agreement may be made a rule of the Court.
The Arbitrators shall be members of the Society of Maritime Arbitrators, Inc. of New York and the proceedings shall be conducted in accordance with the rules of the Society.

26.3 Any dispute arising out of this Charter shall be referred to arbitration at the place indicated in Box 33, subject to the law and procedures applicable there.

26.4 If Box 33 in Part I is not filled in, sub-clause 26.1 of this Clause shall apply.